

Enhancing Housing Affordability in Eastern Ontario



Call to Action

In Eastern Ontario, there are approximately 7,500 to 9,000 people on social housing wait lists and there are thousands of families spending more than 30 per cent of their after-tax household income on housing expenses. The Eastern Ontario Wardens' Caucus (EOWC) recognizes that participation from the private sector is essential to improving housing affordability in the region.

In November 2019, the EOWC hosted a meeting of senior municipal staff and representatives from Eastern Ontario Home Builder Associations. The focus of this meeting was to support the education, information-sharing and relationship building of all parties while focusing on solutions and actionable next-steps to facilitate housing affordability across Eastern Ontario. The discussion topics included ways to improve communication between the private sector and municipalities, the barriers to private sector investment in affordable housing, and effective incentives for developers.

Key Findings

The recommendations from this meeting provide municipalities and the Province with constructive ideas on how to work with private developers and non-profit housing corporations to increase affordable housing development in Eastern Ontario.

The importance of education and communications

There is a need to enhance affordable housing awareness and education for private developers as well as the general public and municipalities. Private developers need to better understand investment opportunities and business case rationale for affordable housing projects. Templates and educational materials related to evaluating affordable housing business plans would be useful tools to assist service managers and developers. A how-to manual to help developers navigate affordable housing funding and development processes would also be valuable. Increased awareness of the importance of affordable housing for the overall well-being of our communities may foster support from the general public for affordable housing projects. Additionally, a platform for information sharing and promoting best practices would allow municipalities to build on the experiences of others and share creative ideas within their local development communities.

There is an opportunity to use existing networks such as homebuilders associations and non-profit organizations to develop the resources and tools needed to educate and communicate effectively. We believe the Province should coordinate and facilitate the creation of these various communication tools to ensure province-wide impact for both urban and rural areas. The EOWC would be happy to assist.

Focusing on a consistent and streamlined municipal process

Developers can find municipal planning and development processes complicated, inconsistent and time consuming. Municipalities and the Province can work together to standardize and streamline processes and improve development forms, templates and timelines. The EOWC appreciates the Province's commitment to reducing delays in affordable housing development processes. Now that the Province is more than a year into its mandate, a progress report on tangible outcomes would be informative. Moving forward, the EOWC would value the opportunity to collaborate with the Province to find efficiencies and improvements in this area.

To further support affordable housing developers, upper-tier municipalities can work with their lower-tier municipalities to establish common planning and infrastructure requirements and processes. Every effort should be made to remove operational inefficiencies and ensure timely approvals. A concierge approach has been recommended by home builders as a way to assist affordable housing developers to navigate the approvals process. A positive development experience can facilitate additional future projects.

Funding, incentives and barriers in rural areas

Funding and incentives are fundamental to private sector participation in affordable housing initiatives. The requirements of incentive programs must consider the capacity of smaller, rural developers to increase participation in affordable housing projects. For example, current funding programs have long wait times for payments, resulting in builders being required to cover costs while they wait for settlements from funding sources. This can result in cash flow challenges which are more significant for smaller developers in rural communities. Additionally, the duration of commitments, timelines for application approvals and economies of scale for the size of the project have been identified as barriers, specifically for rural developers. Funding criteria and reimbursement schedules need to be clear and designed in a way that encourage further affordable housing investments in rural communities.

Developers have also acknowledged that the *Residential Tenancies Act (RTA)* is a barrier to participation. The complicated administrative processes related to the RTA have resulted in developers being hesitant to be landlords in affordable housing initiatives. They believe the interests of tenants and landlords should be more balanced. The paperwork and timelines related to the Landlord and Tenant Board (LTB), an adjudicating body governed by the RTA, has increasingly impeded and discouraged landlords from offering tenancies. The Province should review the process and simplify paperwork and timelines to encourage more affordable housing development.

Moving Forward

The EOWC acknowledges the positive steps taken by the Province to support affordable housing, such as the *More Homes More Choice Act, 2019*. We look forward to working with the Province and other stakeholders to facilitate affordable housing initiatives and increase investments and supports for individuals across Eastern Ontario.